

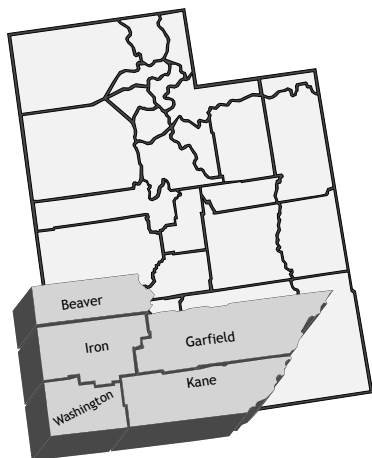
# Workforce News



A quarterly publication of the Department of Workforce Services: issued March 2010

**Southwest:** Beaver, Garfield, Iron, Kane, Washington

**jobs.utah.gov**



## The Journey to Work—How Many People Cross County Lines for Employment?

According to information from the U.S. Census Bureau's Local Employment Dynamics (LED) program, a lot of you live in one county and work in another. And the number of commuters grows every year. Why don't folks just save the commute time and stay in their own county? The reasons are probably nearly as numerous as the commuters, but here are some common commuter considerations:

- ♦ I like the quality of life where I live, but to find employment, I've got to go somewhere else.
- ♦ I'm a construction worker who works where the current project is located.
- ♦ I can earn more money by working in another county.

Whatever the reason, workers in this corner of southern Utah cross county lines frequently for employment purposes. Keep in mind that many people spend the whole workweek in one county, but maintain a residence (and family) in another.

The LED program merely tracks where a worker lives and where they work to provide commuting patterns.

For many counties, the number of residents commuting outside the county appears remarkably similar to the number of workers entering the county for employment. Nevertheless, counties are generally either net exporters of commuters (more workers leaving than entering) or net importers of commuters (more workers entering than leaving the county). In the

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### Inside:

#### Are We in Recovery?

- › **Beaver:** Growing not slowing
- › **Garfield:** Still contracting
- › **Iron:** The worst is over
- › **Kane:** Bottoming out?
- › **Washington:** Stalled recovery



Contact the author, your regional economist, with any questions on content:

Lecia Parks Langston  
435-688-3115  
lecialangston@utah.gov

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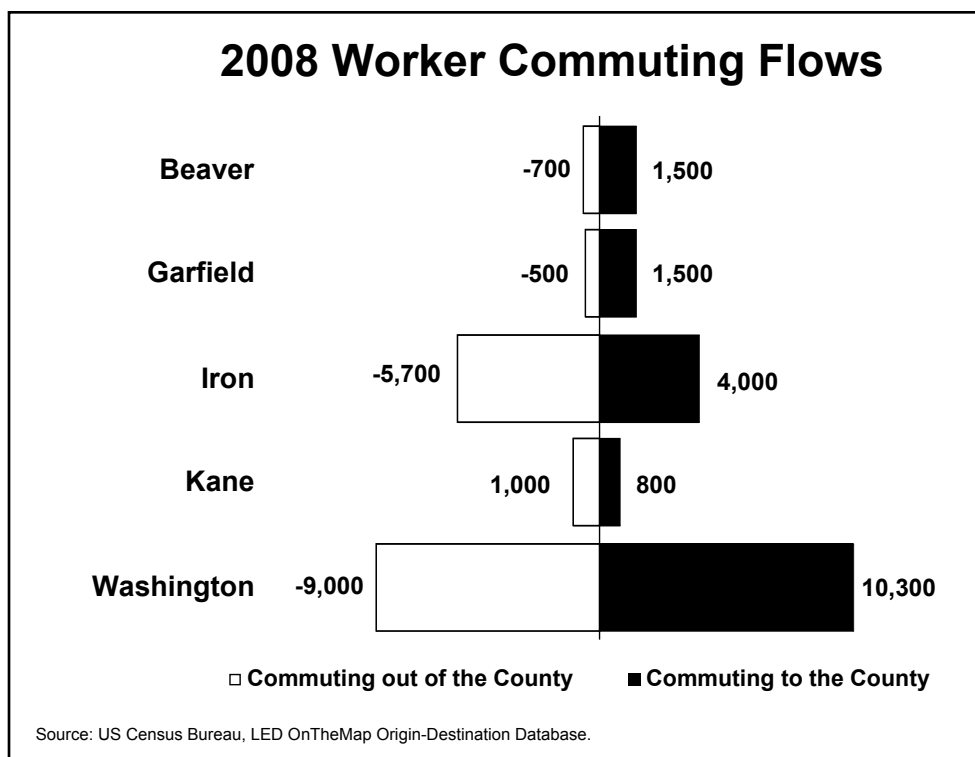
## The Journey to Work (continued)

five counties of southwestern Utah, a majority of counties attract more labor than export it.

### Importing or Exporting?

Although you might expect counties with a large regional economic base to be typical net importers of commuters, that supposition doesn't always hold true. For example, in 2008, relatively small Beaver County imported more than double the number of commuters that it exported. In addition, tourism-dependent Garfield County relied even more heavily on in-coming commuters to staff its seasonal positions. And while Washington County—the largest economy in the area—showed more in-commuting than out-commuting during 2007 and 2008, in previous years out-commuters totaled more than in-commuters. The speculation-based explosion in construction projects in 2007 and 2008 most likely spurred the Washington County switch.

Both Iron County and Kane County experienced a net loss of commuters. In Kane County, 200 more workers left the county than entered it during 2008. Iron County showed a net loss of roughly 1,700 workers in the same year.



### Coming In

Not surprisingly, most counties in the five-county area attract the greatest number of in-commuters from neighboring counties (or states—Arizona in the case of Kane County). Garfield County proved the exception. It attracts the largest number of its in-commuters from Washington County, which doesn't share a border.

### Going out

Remarkably, given the distances involved, most counties in southwestern Utah show the largest number of out-commuters working in

Salt Lake County. Obviously, many of these individuals are workweek commuters rather than workday commuters. Again, there's one exception. Iron County shows the largest number of its out-commuters heading to Washington County.

If you are interested in more information regarding commuters in your area, we'll be posting some commuter fact sheets on our internet site in the next month or so. Just go to: <http://jobs.utah.gov/countyinfo> and select your county.

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# County News

## Are We Recovering?

Before we delve into the data for individual counties, let's cover some basics. There's a lot of talk in the financial press (and among opinionated pundits) about the state of the economy. Is the U.S. in the recovery phase of the business cycle? Some say, "no." Unemployment is still high, we're not growing jobs, and darn it, it just doesn't feel like we're out of the downturn woods. Others (mostly economists) say, "yes." The data indicates that the U.S. has probably entered a period of economic recovery. Who is right?

Well, don't be too surprised. I side with the economists. Why? First, let's compare economic malaise to a regular bodily illness. When you get the flu virus, you start feeling bad. Then you feel REALLY terrible. At some point, you feel so awful you think you're about to die. Then, the next day, you wake up and you feel just a little bit better. Finally, several days down the line you're back to your normal healthy self. Now, after you pass that day when you feel the worst, aren't you "recovering?" Yes. You aren't back to normal, but the worst is over and you're starting to get better.

## An Illness is an Illness

Apply this analogy to an economic illness. Once you've past the worst part of a business downturn, the economy is "recovering." It doesn't mean the economy is back to normal economic health—just that it's getting better instead of worse.

One of the best ways to track economic well-being is with the year-over percent change in nonfarm jobs. (Taking the percent change between employment in a particular month and the same month a year earlier.) When that measure is at its worst (the highest level of job loss), the National Bureau of Economic Research has always (within a month or two) marked the end of a recession. After that, the economy is considered to be in the recovery phase.

## Are We There Yet?

Has the U.S. reached that point? Yes, in third quarter 2009. Job losses as measured by the year-over percent change are now getting smaller. Coupled with the bottoming out in other economic indicators and growth in gross domestic product, it seems safe to assume that the U.S. is in economic re-

covery. It doesn't mean jobs are expanding again (it never has). It just means the losses are getting smaller—which eventually will set the stage for growth.

Generally, we can use this same measure on a county level. However, in some very small counties results can be skewed by large construction projects. In addition, in more rural counties the trend isn't always quite as clear. But, typically, the rule holds true. Once year-over job losses are consistently smaller, your economy is in the recovery phase.

## Beaver County

With a year-over job **growth** rate of 7.3 percent and 160 net new jobs in September 2009, Beaver County seems to have left the initial recovery phase far behind. Give most of the credit to construction of the new wind farm.

Construction employment was up almost 130 percent between September 2008 and September 2009. Of course, the completion of work on the wind farm will cause employment to decline by a similar amount. However, while

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# County News (continued)

construction is the main driver of employment expansion, it isn't the only one. Mining, manufacturing, private education/health/social services, and the public sector also added new jobs. Unfortunately, most other industries continue to feel the ill effects of the national recession. Transportation/warehousing and leisure/hospitality services have been particularly hard-hit.

Other economic indicators suggest that recovery may be beginning to reach additional sectors. Losses in home permitting and gross taxable sales appear to have bottomed out and unemployment rates appear to be peaking.

## Garfield County

Garfield County's employment numbers were buoyed by extensive tourism-related construction during the early part of the national downturn. But, losses in the county's huge leisure/hospitality industry are the true story behind the county's 10 percent, 300 job loss between September 2008 and September 2009. The county did show a job-loss free-for-all across most industry sectors. Construction, manufacturing, retail trade,

healthcare/social services and government all sustained notable declines.

Other indicators have yet to show any clear signal of recovery. Unemployment rates were moderating until a spike at year-end. Home permitting does appear to have bottomed, but sales activity is recovering very slowly.

## Iron County

If current employment trends continue, second quarter 2009 will mark the end of the recession for Iron County. That's when year-over job losses hit their lowest level. The most current data available—September 2009—show Iron County with a year-to-year employment decline of about 6 percent (compared to a low of 9 percent in May 2009). The current loss translates into fewer than 1,000 jobs. Again, the sign of the early stages of recovery are smaller job losses—not job growth.

Once again, construction leads the employment-loss pack with manufacturing and professional/business services (which includes "temp" agencies) following close be-

hind. In addition, almost all major industries lost employment. The lone exception? Health and social services.

Other indicators also suggest an early-stage recovery. Unemployment rates seem to be peaking and initial unemployment insurance claims are down. In addition, construction permitting, gross taxable sales, and new car/truck sales all appear to have bottomed out earlier in the year.

## Kane County

Using the year-over nonfarm job indicator as the proxy for economic well-being suggests that Kane County's recession may have ended in third quarter 2009. Of course, this is a small county, subject to rough rather than smooth trends. However, the county appears to have been bouncing around the bottom of the trough for most of 2009.

September 2008 to September 2009 job losses measured only 4 percent (140 positions)—a far cry from the previous month's decline of 7 percent. The "other services" industry experienced the largest

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# County News (continued)

job loss, but was followed closely by construction. While most industries continued to contract, a number of industries are showing signs of (albeit slow) growth.

Most other indicators point to a bottoming-out of the downturn. Jobless rates have moderated, initial unemployment claims dropped at year-end, and construction permitting losses are getting smaller. Only gross taxable sales showed some improvement.

## Washington County

Washington County leads the local recovery pack with a downturn ending in the first quarter of 2009. However, later months suggest the recovery process may have stalled somewhat. Job losses are currently smaller than at the bottom of the downturn. However, they have not become consistently smaller over time—the typical process in the recovery phase. Yet year-over job loss measured less than 8 percent in September 2009—better than the low point of almost 10 percent (February 2009).

Most industries continued to show job losses—just smaller job losses.

The primary exception? Manufacturing was hit by the double whammy of construction-related losses, and then again by the national downturn. It is the second set of decreases in manufacturing that has hindered employment convalescence.

However, the county's economy is still in recovery. Unemployment rates are moderating and initial unemployment insurance claims are down. Plus, construction permitting and new car sales have bottomed. Finally, gross taxable sales actually grew slightly in the third quarter of 2009.

For a more information about these counties, see: <http://jobs.utah.gov/countyinfo>

### For more info:

Get detailed county-level data and historical county data at:

**<http://jobs.utah.gov/countyinfo>**

When there, select which county you want to view, then find the *Demographic and Economic Profile* under Publications in the right-hand column.

## What's Up?

For a quick look at your county's current economic information, go to: **<http://jobs.utah.gov/countyinfo>**, select your county, and then click on "**Current Economic Snapshot**"

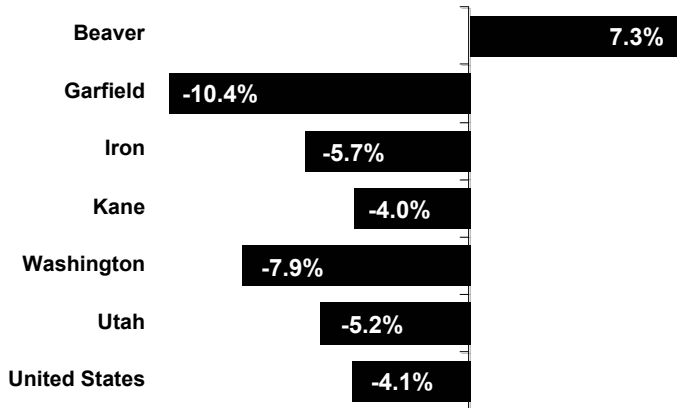
"Officials say the **Ironman Triathlon** could bring \$8 million to \$10 million to the St. George community. The triathlon sold out just three months after it was announced. Organizers anticipate more than 10,000 visitors making an extended stay for the event, with more than 30,000 spectators showing up on race day."

-The Spectrum

"Work on the \$29 million **5th Judicial District courthouse** is complete. The facility can accommodate up to eight more courtrooms as the population and caseload in Washington County grow."

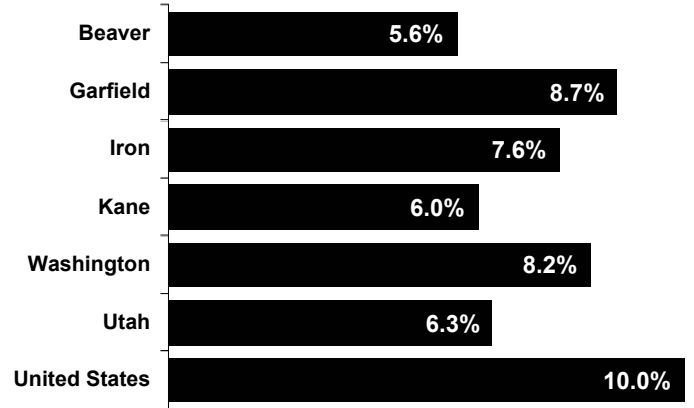
-The Deseret News

### Seasonally Adjusted Unemployment Rates November 2009



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

### Change in Nonfarm Jobs September 2008 to September 2009



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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